

## Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 EA-07 ISO-00 L-03 FRB-03 OMB-01 ITC-01

SP-02 USIA-06 AGRE-00 AID-05 CIAE-00 COME-00 INR-07

IO-13 LAB-04 NSAE-00 OIC-02 SIL-01 STR-04 TRSE-00

CIEP-01 CEA-01 SS-15 AF-08 ARA-06 NEA-10 /120 W

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P R 191456Z OCT 76

FM AMEMBASSY LONDON

TO USMISSION GENEVA PRIORITY

INFO SECSTATE WASHDC 6691

AMEMBASSY ROME

USMISSION OECD PARIS

USMISSION EC BRUSSELS

AMEMBASSY KUALA LUMPUR

AMEMBASSY JAKARTA

AMEMBASSY TOKYO

AMEMBASSY BANGKOK

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E.O. 11652: N/A

TAGS: ETRD, EPAP

SUBJECT: UNCTAD COMMODITY CONSULTATIONS -- RUBBER

REF: (A) GENEVA 7963 (B) STATE 256286 (C) LONDON 15941

(D) LONDON 9375

1. AS INSTRUCTED IN REF. (B), WE ARE OUTLINING BACKGROUND AND STATE-OF-PLAY ON UNCTAD RUBBER CONSULTATIONS FROM PERSPECTIVE OF INTERNATIONAL RUBBER STUDY GROUP (IRSG), LONDON. IN THIS REGARD, IRSG SEC GEN DR. LESLIE BATEMAN WILL CALL ON UNCTAD SECRETARIAT OCTOBER 26. HE WOULD WELCOME APPOINTMENT WITH U.S. MISSION GENEVA OCTOBER 27. EXCEPT AS OTHERWISE NOTED, MISSION MAY DRAW ON THIS CABLE IN DISCUSSIONS WITH OTHER DELEGATIONS AND SECRETARIAT.

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TIONS AND SECRETARIAT.

2. BACKGROUND. QUESTION OF ROLE OF THE IRSG IN THE UNCTAD COMMODITY CONSULTATIONS FIRST AROSE DURING THE 90TH MEETING OF THE GROUP, IN LONDON, JUNE 8-10, 1976. U.S. AND CANADA PARTICULARLY STRESSED IRSG AS FORUM FOR RES. 93 (IV) CONSULTATIONS. THIS POSITION WAS SUPPORTED BY OTHER CONSUMERS AND SEEMED TO HAVE BEEN -- AT LEAST TACITLY -- ACCEPTED BY PRODUCERS AS WELL. REPORT OF THAT MEETING, HOWEVER, NOTED ONLY THAT CLOSE CONTACT SHOULD BE MAINTAINED WITH UNCTAD (AND THE ASSOCIATION OF NATURAL RUBBER PRODUCING COUNTRIES -- ANRPC) AND THAT "A NUMBER OF GOVERNMENTS EXPRESSED VIEW" IRSG OBVIOUSLY BEST FORUM.

3. BATEMAN ASSUMED OFFICE ON JULY 1. EARLIER, BY LETTER DATED JUNE 22, COREA HAD WRITTEN WHAT SEEMED TO BE A BOILERPLATE LETTER TO THE IRSG INFORMING THE ORGANIZATION OF THE RES. 93 (IV) CONSULTATIONS AND NOTING THAT SPECIALIZED BODIES WOULD BE CONSULTED AND INVOLVED IN THE DISCUSSIONS. THIS WAS THE ONLY FORMAL COMMUNICATION WITH UNCTAD; ALTHOUGH BATEMAN HAS HAD INFORMAL CONTACTS ON THE PROBLEM SINCE.

4. DURING THE SUMMER, IT BECAME CLEAR THAT UNCTAD DID NOT CONTEMPLATE A MAJOR ROLE FOR THE IRSG, OTHER THAN SOME SORT OF OBSERVER STATUS. MOREOVER, THE PRODUCERS' VIEW OF THE IRSG ROLE IN THE CONSULTATIONS SEEMED TO BE EQUIVOCAL AT BEST. (FYI, IN THIS SITUATION, BATEMAN TOLD THE EMBASSY HE FELT HE COULD NOT PUSH HIMSELF AND THE IRSG ON UNCTAD WITHOUT CLEARER MARCHING ORDERS FROM BOTH PRODUCERS AND CONSUMERS THAN THOSE PROVIDED AT THE JUNE MEETING).

5. BATEMAN PLACED THE ISSUE ON THE AGENDA OF THE IRSG EXECUTIVE COMMITTEE MEETING SCHEDULED FOR OCTOBER 4 (REF. C). HE SUBMITTED AS WELL A DISCUSSION PAPER ENTITLED "INTERACTION WITH UNCTAD ABOUT A COMMODITY SCHEME FOR NR". THE PAPER NOTED UNCTAD'S VIEW OF ITS MANDATE UNDER RES. 93 (IV) AND FACT THAT AN ANRPC-UNCTAD LINKAGE SEEMED CERTAIN SINCE ANRPC HAS ALREADY LIMITED OFFICIAL USE

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DEVELOPED A "READY-MADE EMBRYONIC (STABILIZATION) SCHEME" (REF. D). (FYI. BATEMAN FEELS THE MUTUAL ATTRACTION BETWEEN ANRPC AND UNCTAD IS STRONG -- ANRPC SENSES A CHANCE FOR SECURING FINANCING FROM UNCTAD AND UNCTAD PROBABLY SEES A CHANCE FOR SECURITY A LEG UP TOWARDS A STABILIZATION SCHEME ALREADY BASICALLY WORKED OUT BY PRODUCERS. AT SAME TIME HE THINKS ANRPC IS PROBABLY QUITE CAUTIOUS IN THAT WHILE COLLABORATION MIGHT

BE ATTRACTIVE, DOMINATION IS NOT. END FYI)

6. FOLLOWING PARAGRAPH FROM PAPER EXPLAINS THIS MORE FULLY: QUOTE (VI) AN IMPORTANT QUESTION TO BE ASKED IS: WHAT DISTINCTIVE ROLE IS THERE FOR THE IRSG IN THIS WHOLE EXERCISE? PERHAPS THE ANSWER LIES IN THE FOLLOWING. ANRPC REPRESENTS THE PRINCIPAL, BUT NOT ALL, NR PRODUCING COUNTRIES, WHILE UNCTAD MEETINGS INVOLVE GOVERNMENT MINISTERS AND OFFICIALS AND VARIOUS QUASI-CIVIL SERVANTS, WITH INDUSTRY SPECIALISTS NOT NORMALLY PRESENT NOR ASSOCIATED WITH THE SECRETARIAT. YET, IF

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FM AMEMBASSY LONDON

TO USMISSION GENEVA PRIORITY

INFO SECSTATE WASHDC 6692

AMEMBASSY ROME

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ANY COMMODITY SCHEME FOR NR IS TO BE LAUNCHED WITH  
GENERAL GOOD WILL AND WITHOUT ACTIVE OR LATENT ANTAG-

ONISMS, THEN MAJOR CONSUMING INTERESTS, PRIVATE AS WELL AS PUBLIC, MUST BE ABLE IN SOME ORGANISED FORM TO HAVE A MEANINGFUL OPPORTUNITY TO HELP TO FASHION WHAT IS EVOLVED. THIS IS PERHAPS WHERE THE IRSG COMES IN. BY TRADITION IT HAS ALWAYS HAD CONSIDERABLE INDUSTRY INVOLVEMENT IN ITS DELIBERATIONS AND IT REMAINS PARTICULARLY WELL PLACED TO MARSHAL INDUSTRIAL AND PROFESSIONAL OPINION FOR GETTING TO GRIPS WITH PRACTICALITIES AND SHAPING A WORKABLE COMMODITY SCHEME OF BROAD ACCEPTABILITY. UNQUOTE

7. AT THE OCTOBER 4 EXECUTIVE COMMITTEE MEETING,  
(ATTENDED BY U.S., U.K., USSR, FRANCE, F.R.G., JAPAN,  
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MALAYSIA, THAILAND AND INDONESIA) THERE WAS CONSENSUS THAT THE IRSG SHOULD HAVE A ROLE IN THE UNCTAD CONSULTATIONS, BUT THE PRODUCERS, PARTICULARLY MALAYSIA, APPEARED TO HAVE SOME (UNSPECIFIED) RESERVE ABOUT JUST WHAT THIS ROLE SHOULD BE. NEVERTHELESS, THE COMMITTEE INSTRUCTED BATEMAN TO GO TO GENEVA AND INITIATE CONSULTATIONS ON PREPARATIONS FOR THE JANUARY 1977 CONSULTATION. U.S. AND OTHER NR CONSUMERS URGED THAT HE ATTEMPT TO HAVE SOME IMPACT ON AGENDA DEVELOPMENT AS A MINIMUM. CONCERN WAS EXPRESSED BY USREP THAT UNLESS THE SECGEN COULD INSINUATE SELF AT EARLY STAGE, IRSG WOULD BE EFFECTIVELY CUT OUT OF CONSULTATION, PERHAPS INVITED AS AN OBSERVER, BUT AT BEST ONE VIEWED BY UNCTAD AS MORE OF AN EMBARRASSMENT THAN A THOUGHTFUL CONTRIBUTOR. THIS ANALYSIS WAS ACCEPTED, BUT EFFORTS TO GET THE COMMITTEE TO DO MORE THAN AUTHORIZE BATEMAN'S TRIP RAN INTO MALAYAN RESISTANCE (PROBABLY TO GAIN TIME FOR BETTER INSTRUCTIONS).

8. STATE-OF-PLAY. BATEMAN WROTE UNCTAD FOLLOWING THE EXECUTIVE COMMITTEE MEETING, BUT DID NOT RECEIVE A REPLY. HE LATER TELEPHONED GENEVA AND WAS TOLD A REPLY "WAS IN THE WORKS". AN APPOINTMENT FOR OCTOBER 26 WAS SET AT THAT TIME. FOLLOWING THE GENEVA VISIT, ANOTHER EXECUTIVE COMMITTEE MEETING WILL BE HELD, NOVEMBER 2, TO DISCUSS RESULTS AND PLAN FOR NEXT STEPS. A PROPOSAL BROUGHT UP AT THE EXECUTIVE COMMITTEE MEETING, THAT A SPECIAL MEETING OF THE GROUP (ENTIRE

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FM AMEMBASSY LONDON

TO USMISSION GENEVA PRIORITY

INFO SECSTATE WASHDC 6693

AMEMBASSY ROME

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MEMBERSHIP) BE HELD JUST PRIOR TO THE UNCTAD MEETING  
WILL UNDOUBTEDLY BE CONSIDERED AGAIN. THIS WOULD BE  
USEFUL IN PROVIDING A FORUM FOR DISCUSSION AMONG THOSE  
MOST CONCERNED WITH RUBBER JUST BEFORE GENEVA.

9. FYI COMMENT: UNCTAD TO OUR KNOWLEDGE HAS TAKEN NO  
INITIATIVE TO INFORM BATEMAN OF ITS THINKING NOR TO  
CONSULT HIM. THE INITIATIVE SO FAR HAS RESIDED  
COMPLETELY WITH THE IRSG. HOPEFULLY, BATEMAN WILL BE  
ABLE TO MAKE SOME IMPACT ON UNCTAD SIMPLY BY SHOWING  
UP IN GENEVA IN OCTOBER AND BY HIS PERSONAL REPUTATION  
AS A LEADING EXPERT IN RUBBER MATTERS. ANY SORT OF  
CO-HOSTSHIP FOR THE JANUARY MEETING IS PROBABLY TOO  
MUCH TO HOPE FOR, PARTICULARLY IN VIEW OF PRODUCER  
AMBIVALENCE TOWARD THE IRSG, AT LEAST FOR NOW, IN THE  
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UNCTAD EXERCISE.

10. WE THINK EFFORTS BY THE MISSION TO SMOOTH THE WAY  
WITH SECRETARIAT PERSONNEL (AND PRODUCER REPS) FOR  
BATEMAN WOULD PROVE USEFUL. OBVIOUS POINT TO EMPHASIZE  
IS THAT IRSG PARTICIPATION WOULD BE HELPFUL ALL AROUND.  
MISSION SHOULD BEAR IN MIND THAT WHILE BATEMAN IS  
BRITISH, HE WORKED IN MALAYSIA FOR MUCH OF HIS CAREER  
AND WAS MALAYSIA'S CANDIDATE FOR THE POST OF SECGEN,  
WINNING OUT OVER A NUMBER OF OTHERS, INCLUDING THE  
U.S. CANDIDATE. END FYI

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## Message Attributes

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**Disposition Approved on Date:**  
**Disposition Authority:** ShawDG  
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**TAGS:** ETRD, EPAP, US, UNCTAD  
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